Market Overview

Weekly Market & Economic Overview

Edition: July 14, 2025

**Data through 7/11/25, unless otherwise stated*

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Executive Summary

Market Movement

Fixed Income & Yield Curve	• Yields rose, especially the long end, with the curve steepening during the week • Market rate cut expectations were little changed, still split on the first cut being September or October, with 2 potential total cuts by the end of 2025 • Broad Fixed Income were negative due to rising rates, and Corporates underperformed
Equity	• Markets retreated slightly, posting slight losses • Energy led the performance for the week, while Consumer Staples and Financials declined most • International markets were also negative
Other Markets	• US Dollar strengthened • Broad commodity prices increased, led upward by Oil and Precious Metals • Cryptocurrencies rose strongly, as Bitcoin hit all time highs

Top Market News

Tariff Talk Reignites	• With the expiration of the 90-day Tariff pause, President Trump pushed back the start of reciprocal tariffs to August 1st and announced updated rates • Canada faces the threat of 35% tariff rates, while Mexico faces a potential 30% tariff rate • European Union (EU) faces the threat of 30% rates, which led to a response by EU officials threatening retaliatory tariffs if the 30% mark goes into place • Brazil's potential tariff rate was increased to 50%, relating to Trump's earlier comments about BRICS countries, while several other trade partners' rates were held at the same level as the "Liberation Day" announcements
June FOMC Meeting Minutes	• June's FOMC policy meeting minutes were released last week, which showed growing disagreement about the future path of policy rates • A majority of the committee expect the FED to cut rates this year, while others don't see the need for any cuts until more meaningful inflation progress has been reached • The future path of rates will be an effect of future economic data this year, as well as potential impacts around Powell's future as Chair amidst pressures from the White House

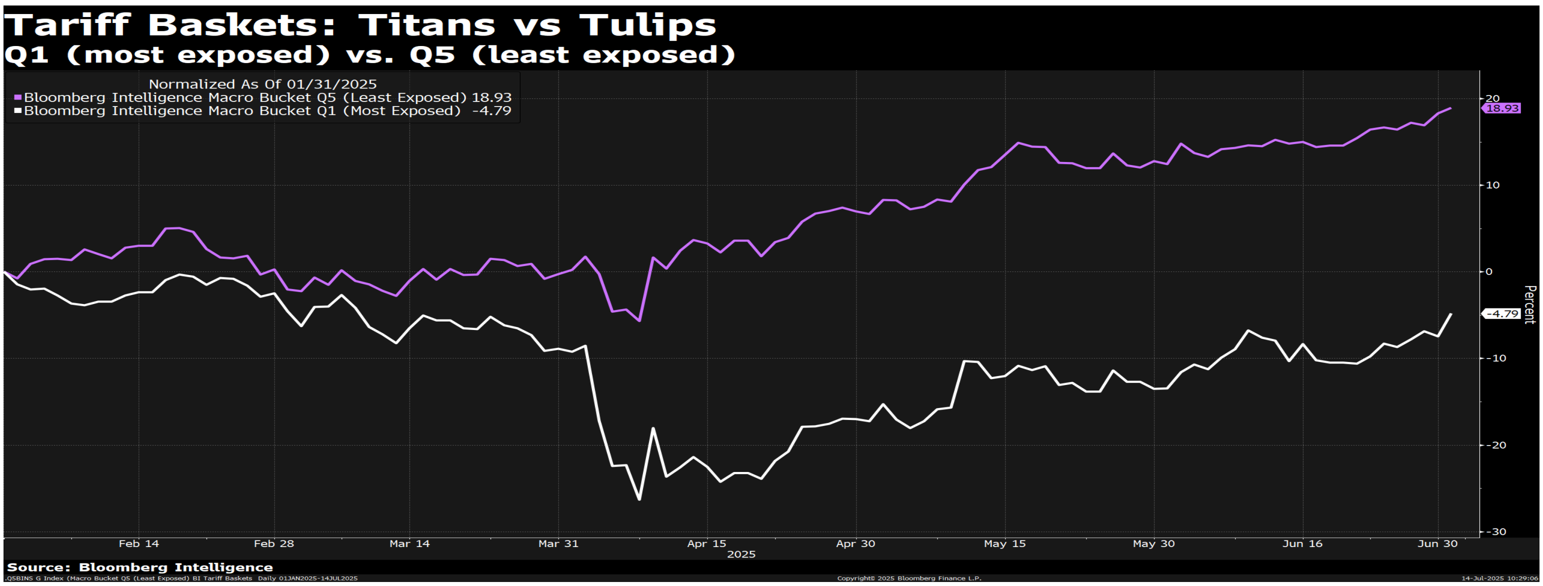
Top Events to Watch For This Week

Inflation	• Inflation will headline the week, with both Consumer (CPI) and Producer (PPI) inflation measures • Consumer Price Inflation (CPI) is expected to accelerate again on both a Core and Headline basis, with Core CPI expected to be 2.9% YoY (vs 2.8% in May) and Headline to be 2.6% YoY (vs 2.4% in May) • Producer Price Inflation (PPI) is also expected to accelerate slightly on a MoM basis (0.2% v 0.1%), but slow on a YoY basis (2.5% v 2.6%) • Bloomberg Economics is expecting another "soft" CPI report, with similar composition to May's report, showing "only modest tariff pass-throughs in goods" • Renewed talks of Tariffs may threaten risks of future inflation increases
Consumer Strength	• Consumers will be in focus this week, with Retail Spending and Consumer Sentiment data • Univ. of Michigan Consumer Sentiment numbers are expected to show improvement (61.4 v 60.7) but remain below the recent highs from earlier this year • Retail spending is expected to rebound from May's tariff-related decline (0.1% vs. -0.9%); however, growth is expected to remain muted until consumers have more macro clarity
Earnings Season	• Q2 Earnings Season officially kicks off with the start of Big Bank Earnings this week • JPMorgan Chase will headline economic commentary, among other key financial sector players (WFC, MS, C, etc.), while Industrial Bellwethers and Mega-Cap tech also starts this week

Geopolitical & Other News Highlights

European Growth Slow	• UK GDP in May contracted for the second month in the row, igniting potential concerns • Eurozone retail sales also fell by more than expected in May • Potential for a new 30% US Tariff on the European Union makes growth and inflation of significant importance for the region
OPEC+ Increases Production	• OPEC+ agreed to increase production by 548,000 barrels/day in August, exceeding the 411,000 forecast, surprising markets that were already concerned about oversupply risks if demand weakened further • Despite headline fears, fundamentals remain intact, as actual output has consistently lagged quotas and demand has proven resilient • Oil prices fell initially but rebounded during the week, with Brent crude ~$70 today

Charts of The Week



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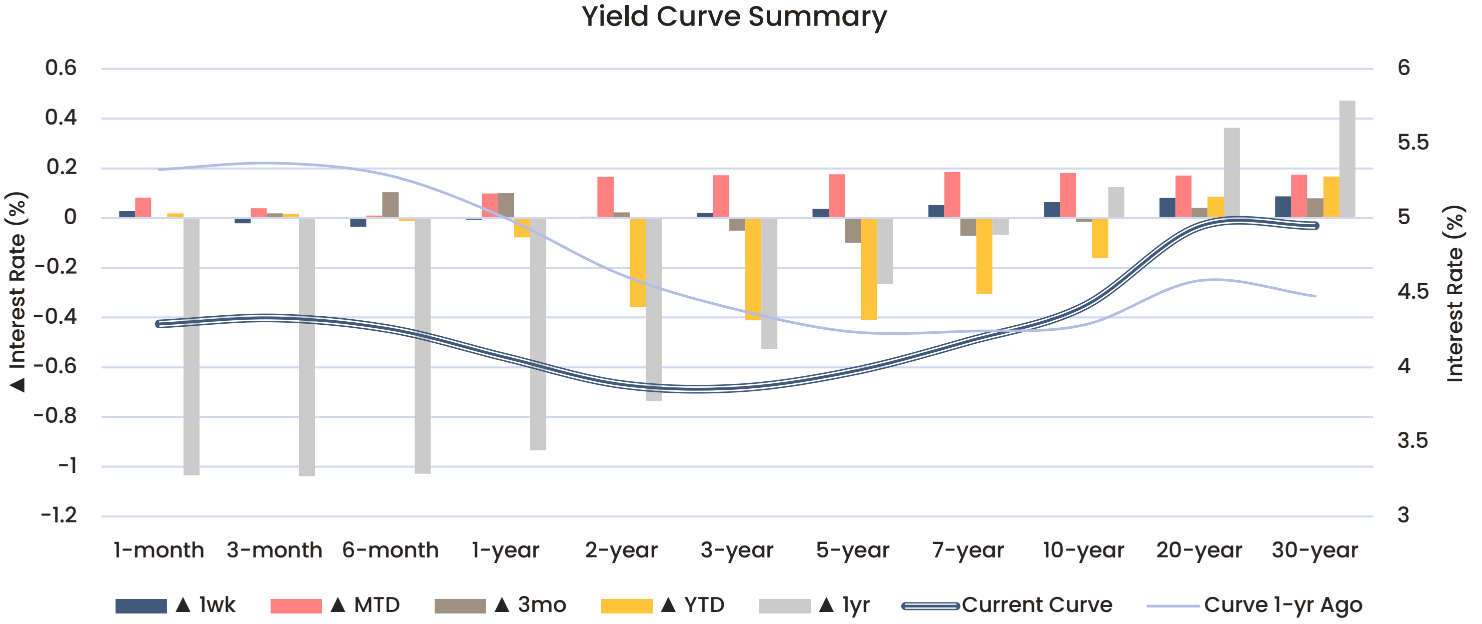
Yield Curve

- Yields rose across the longer end of the curve
- Yield curve steepened

Data as of 7/11/25	Yield Curve Movement						Range
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr	vs. 5yr Range
Yield Curve Levels							
1-month	**4.29**	0.03	0.08	0.00	0.02	-1.03	0.65
3-month	**4.33**	-0.02	0.04	0.02	0.02	-1.04	0.62
6-month	**4.26**	-0.03	0.01	0.10	-0.01	-1.03	0.55
1-year	**4.07**	-0.01	0.10	0.10	-0.08	-0.93	0.53
2-year	**3.88**	0.01	0.17	0.02	-0.36	-0.74	0.53
3-year	**3.86**	0.02	0.17	-0.05	-0.41	-0.53	0.58
5-year	**3.97**	0.04	0.18	-0.10	-0.41	-0.26	0.71
7-year	**4.17**	0.05	0.18	-0.07	-0.30	-0.07	0.84
10-year	**4.41**	0.06	0.18	-0.02	-0.16	0.13	1.02
20-year	**4.94**	0.08	0.17	0.04	0.09	0.36	1.20
30-year	**4.95**	0.09	0.17	0.08	0.17	0.47	1.35
Yield Curve Spreads							
2yr vs. 10yr	**52.02**	6.05	1.55	-3.24	19.49	85.81	0.53
2yr vs. 30yr	**105.89**	8.37	0.79	6.10	51.82	120.42	0.63
5yr vs. 10yr	**43.49**	2.67	0.76	8.51	24.79	38.99	0.91
5yr vs. 30yr	**97.46**	5.09	-0.09	17.95	57.54	73.70	0.90



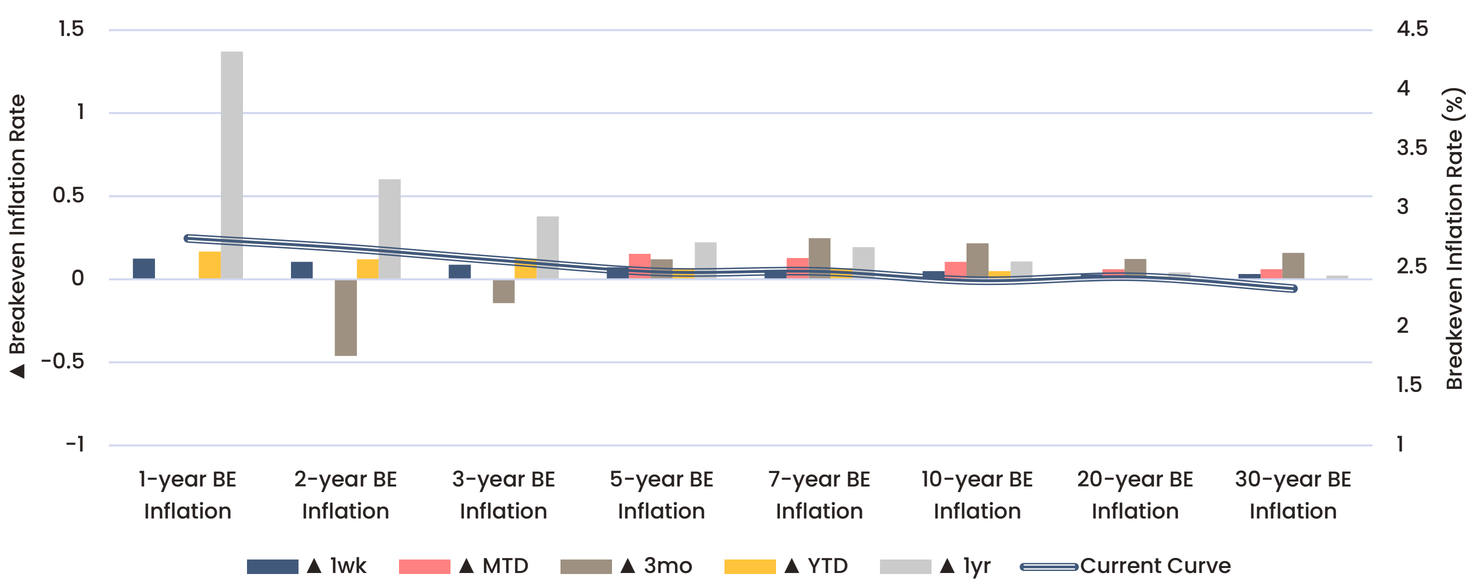
Breakeven Inflation Curve

- Breakeven inflation levels increased after tariff fears reignited
- Long-end inflation breakeven levels remain near the Fed 2% target, while short-end levels remain elevated as markets assess tariff impacts

Data as of 7/11/25

	Inflation Breakeven Curve Movement						Range
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr	vs. 5yr Range
Yield Curve Levels							
1-year	**2.74**	0.12	---	---	0.17	1.37	0.08
2-year	**2.66**	0.11	---	-0.46	0.12	0.60	0.18
3-year	**2.56**	0.09	---	-0.14	0.12	0.38	0.18
5-year	**2.46**	0.07	0.15	0.12	0.07	0.22	0.15
7-year	**2.47**	0.06	0.13	0.25	0.07	0.19	0.34
10-year	**2.39**	0.05	0.10	0.22	0.05	0.11	0.34
20-year	**2.42**	0.03	0.06	0.12	0.02	0.04	0.50
30-year	**2.32**	0.03	0.06	0.16	0.00	0.02	0.39

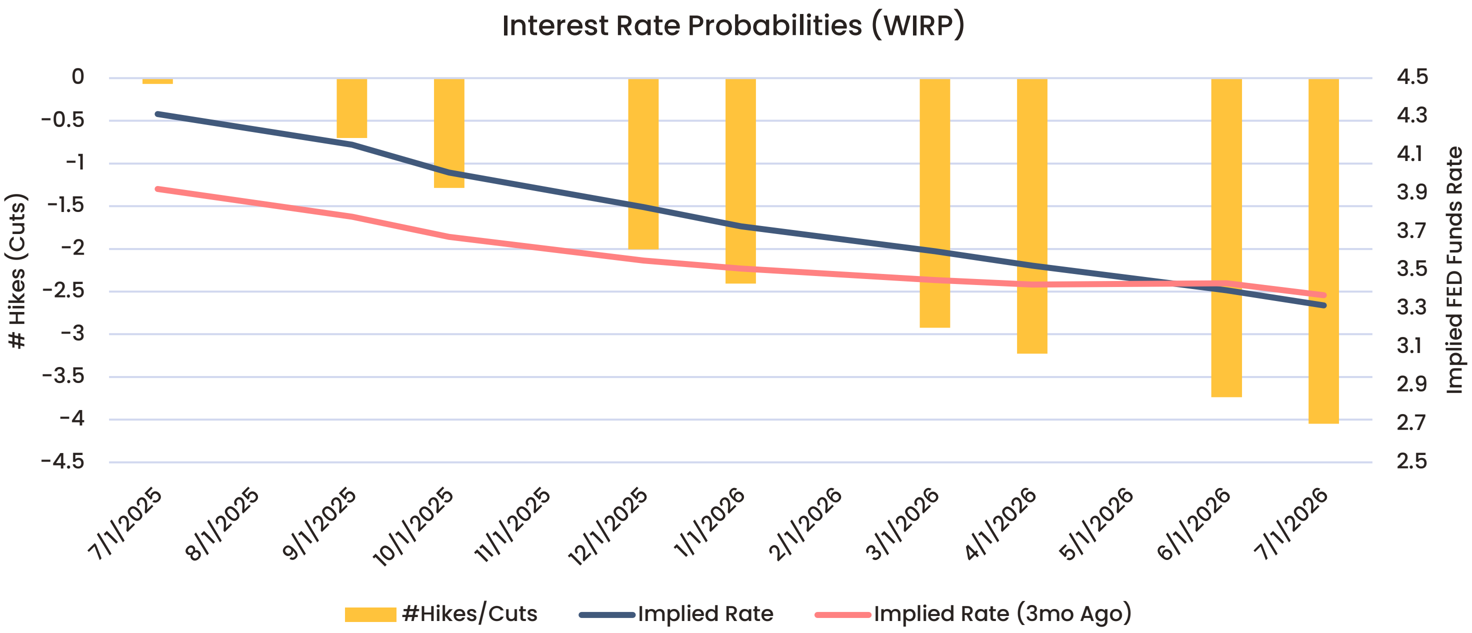
US Breakeven Inflation Curve



Interest Rate Projections

- Market expectations for FED rate cuts were little changed during the week
- Markets still expect the first rate cut to be in September or October
- Markets now price in 3.74 cuts (~94bps total) by June 2026

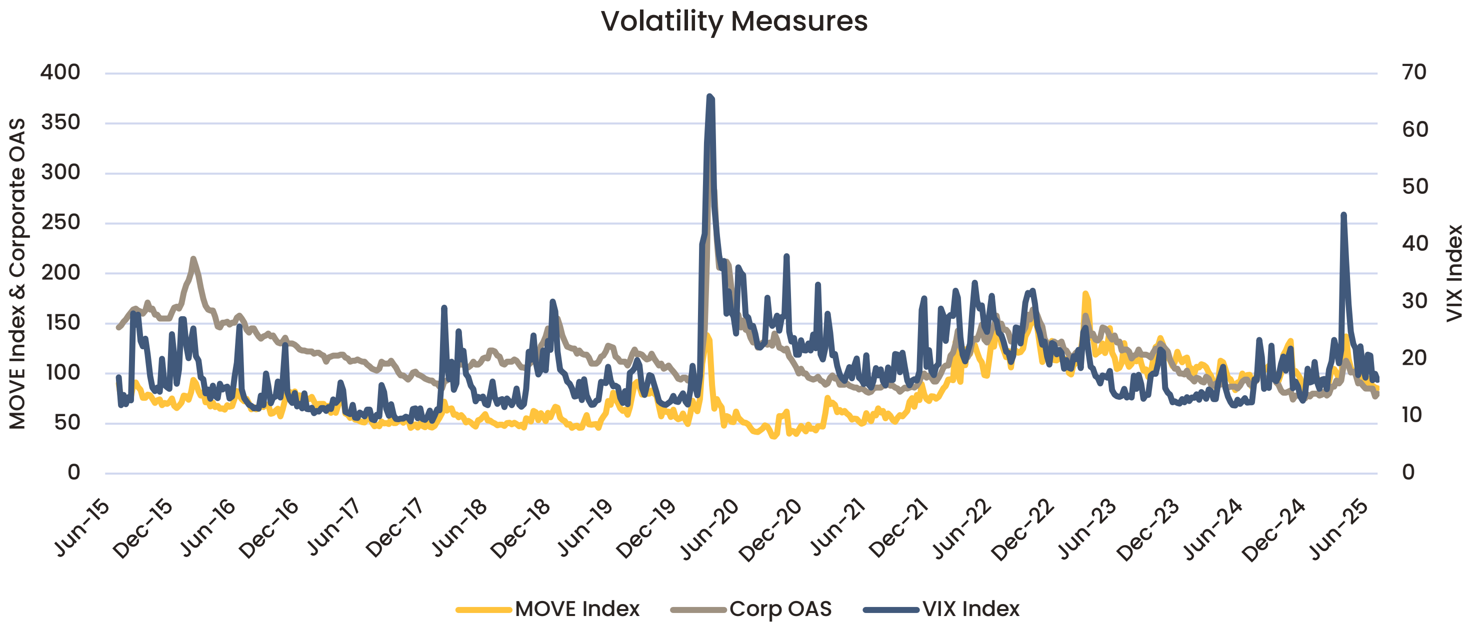
Data as of 7/11/25	FED Meeting Expectations					Change	
	Implied Rate	#Hikes/Cuts	% Hike/Cut	Imp. Rate Δ	Implied Rate (3mo Ago)	▲ Implied Rate (3mo)	▲ Implied Rate (1wk)
Future FED Meetings							
7/30/2025	**4.31**	-0.07	-6.70	-0.02	3.92	0.39	0.00
9/17/2025	**4.15**	-0.70	-63.40	-0.18	3.78	0.38	0.01
10/29/2025	**4.01**	-1.29	-58.60	-0.32	3.67	0.34	0.01
12/10/2025	**3.83**	-2.00	-71.70	-0.50	3.55	0.28	0.01
1/28/2026	**3.73**	-2.41	-40.30	-0.60	3.51	0.22	0.02
3/18/2026	**3.60**	-2.92	-51.60	-0.73	3.45	0.15	0.03
4/29/2026	**3.52**	-3.23	-30.40	-0.81	3.43	0.10	0.03
6/17/2026	**3.40**	-3.74	-50.90	-0.94	3.43	-0.04	0.04
7/29/2026	**3.32**	-4.05	-31.10	-1.01	3.37	-0.05	0.04
9/16/2026	**3.23**	-4.38	-33.60	-1.10	3.34	-0.11	0.04



Market Volatility Measures

- Equity Market VIX decreased
- Bond Market Volatility (MOVE) also decreased
- Corporate spreads widened slightly

Data as of 7/11/25	Volatility Movement						Range
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr	vs. 5yr Range
Volatility Measures							
VIX Index	**16.40**	-1.08	-0.33	-24.32	-0.95	3.55	-0.34
Move Index	**85.48**	-1.84	-4.78	-42.87	-13.32	-7.49	-1.17
IG Corp Spread	**80.0**	3.00	-3.00	-34.00	0.00	-10.00	-0.88



- Broad Fixed Income indices were negative again during the week, hurt by rising rates
- Corporates underperformed during the week

Data as of 7/11/25	Total Returns					Characteristics	
	1wk	MTD	3mo	YTD	1yr	Duration	YTW
Bloomberg Index Total Returns							
Aggregate	-0.37%	-0.81%	1.88%	3.18%	4.39%	6.01	4.67
Intermediate Aggregate	-0.17%	-0.57%	1.77%	3.57%	5.36%	4.42	4.52
1-3yr Aggregate	0.06%	-0.17%	1.08%	2.75%	5.40%	1.84	4.09
US Treasury	-0.30%	-0.89%	0.98%	2.87%	3.72%	5.77	4.20
Government-Related	-0.20%	-0.54%	2.11%	3.81%	5.00%	5.29	4.64
US Agency	-0.08%	-0.42%	1.31%	3.00%	4.93%	3.20	4.38
Corporate	-0.62%	-0.83%	3.41%	3.31%	4.97%	6.74	5.14
A-Rated	-0.61%	-0.85%	3.12%	3.33%	4.74%	6.72	5.01
BBB-Rated	-0.60%	-0.75%	3.86%	3.42%	5.48%	6.54	5.31
High-Yield	-0.22%	-0.02%	6.19%	4.55%	9.62%	2.87	7.14
Securitized	-0.28%	-0.72%	1.99%	3.48%	4.89%	5.88	5.06
CMBS	-0.05%	-0.53%	2.00%	3.93%	6.55%	3.93	4.86
ABS	0.01%	-0.23%	1.39%	2.69%	5.68%	2.61	4.54
MBS	-0.30%	-0.74%	2.00%	3.46%	4.77%	6.06	5.09

	Excess Returns					Characteristics	
	1wk	MTD	3mo	YTD	1yr	OAS	DTS
Bloomberg Index Excess Returns							
Aggregate		0.12	0.83	0.22	0.64	30.69	1.81
Intermediate Aggregate		0.10	0.65	0.24	0.55	27.05	1.18
1-3yr Aggregate		0.01	0.22	0.14	0.22	14.32	0.28
US Treasury		0.00	0.00	0.00	0.00	-0.60	0.00
Government-Related		0.28	1.27	0.82	0.98	41.21	2.17
US Agency		0.01	0.32	0.14	0.26	11.07	0.35
Corporate		0.25	2.33	0.46	1.78	79.84	5.35
A-Rated		0.22	2.07	0.51	1.56	67.68	4.55
BBB-Rated		0.29	2.75	0.47	2.12	98.33	6.39
High-Yield		0.36	4.69	1.42	4.35	285.59	8.36
Securitized		0.19	0.83	0.31	0.64	37.94	2.10
CMBS		0.09	0.99	0.42	1.49	82.78	3.31
ABS		0.09	0.50	0.07	0.85	53.81	1.42
MBS		0.20	0.83	0.31	0.58	34.88	1.98

Global Equities

- US Markets retreated during the week
- Energy led the way, while Consumer Staples and Financials declined most
- International markets were also negative

Data as of 7/11/25	Total Returns					Characteristics	
	1wk	MTD	3mo	YTD	1yr	P/E TTM	P/E F1
United States							
S&P 500	-0.29%	0.92%	19.22%	7.18%	12.58%	26.62	22.98
NASDAQ	-0.06%	1.09%	25.86%	7.01%	11.21%	42.37	29.99
Dow Jones	-1.01%	0.67%	12.56%	5.25%	13.67%	23.56	21.26
S&P 500 Equal-Weighted	-0.44%	1.45%	16.04%	6.34%	13.71%	21.09	18.48
Russell 3000	-0.37%	0.97%	19.63%	6.77%	13.20%	27.32	23.24
Russell Midcap	-0.54%	1.34%	19.18%	6.24%	16.49%	23.31	19.50
Russell 2000	-0.62%	2.78%	22.47%	0.94%	10.41%	52.19	32.49
Russell 1000 Value	-0.57%	1.06%	13.69%	7.12%	14.16%	20.26	18.13
Russell 1000 Growth	-0.16%	0.74%	24.63%	6.87%	12.49%	36.33	30.65
International							
Emerging Markets	-0.56%	0.73%	20.81%	16.37%	13.72%	16.09	13.17
China	1.44%	2.28%	8.97%	3.68%	20.86%	16.36	13.68
EAFE	-0.34%	-0.20%	16.91%	19.70%	15.50%	17.01	15.71
Europe	0.69%	1.16%	14.28%	10.70%	9.66%	15.54	15.07
Japan	-0.54%	-2.27%	14.47%	1.75%	-3.55%	18.31	20.08
Comparisons							
USA vs. Int'l	-0.03%	1.18%	2.72%	-12.93%	-2.30%	10.31	7.53
Value vs. Growth	-0.42%	0.32%	-10.94%	0.26%	1.68%	-16.07	-12.52
Mkt Breadth	-0.15%	0.53%	-3.18%	-0.84%	1.13%	-5.53	-4.50
Small vs. Large	-0.32%	1.86%	3.25%	-6.24%	-2.17%	25.57	9.50
EAFE vs. EM	0.22%	-0.93%	-3.90%	3.33%	1.78%	0.92	2.53
US Sectors (All-Cap)							
Russell 3000	-0.37%	0.97%	19.63%	6.77%	13.20%	27.32	23.24
Communication Services	-0.86%	-1.34%	22.84%	11.10%	20.56%	24.99	20.68
Consumer Discretionary	-0.48%	0.74%	19.44%	2.67%	19.22%	30.63	27.64
Consumer Staples	-1.52%	-0.58%	1.73%	7.77%	10.09%	19.05	18.30
Energy	2.16%	5.02%	18.11%	4.81%	2.17%	17.37	16.77
Financials	-1.47%	0.35%	17.11%	9.99%	26.82%	17.31	15.82
Healthcare	-0.20%	0.53%	2.66%	-2.04%	-6.21%	25.61	21.51
Industrials	-0.77%	1.12%	19.26%	8.16%	21.62%	27.63	23.95
Materials	0.22%	3.79%	19.28%	13.97%	7.30%	26.93	20.84
Real Estate	-0.34%	0.80%	9.82%	2.75%	10.60%	47.69	35.91
Technology	-0.04%	1.43%	32.36%	9.12%	12.72%	42.84	30.94
Utilities	0.51%	0.62%	8.14%	9.16%	17.59%	21.00	19.02

Currencies & Commodities

- Dollar strengthened
- Broad commodity prices increased slightly, led upward by oil and precious metals
- Cryptocurrency prices increased strongly, with Bitcoin reaching all-time highs

Data as of 7/11/25

	Currency & Commodity Movement					
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr
Currency Movement (US Dollar Strength Monitor)						
Dollar Index	97.85	0.69%	1.01%	-2.99%	-9.80%	-6.85%
USD vs. Euro	0.86	0.59%	0.84%	-4.18%	-11.43%	-7.35%
USD vs. Jap Yen	147.43	1.72%	2.36%	2.06%	-6.22%	-8.82%
USD vs. Brit Pound	0.74	1.20%	1.77%	-3.88%	-7.25%	-4.78%
USD vs. Swiss Franc	0.80	0.19%	0.44%	-3.34%	-12.21%	-11.45%
USD vs. Sweden	9.56	-0.22%	1.09%	-2.99%	-13.64%	-9.32%
USD vs. Norway	10.13	0.74%	0.55%	-6.38%	-11.05%	-5.44%
USD vs. Hong Kong	7.85	0.00%	0.00%	1.17%	1.05%	0.49%
USD vs. Can Dollar	1.37	0.80%	0.62%	-2.08%	-4.81%	0.54%
USD vs. Aus Dollar	1.52	-0.11%	0.03%	-5.39%	-5.93%	2.56%
Broad Commodity Movement						
Commodity Index	103.83	0.42%	1.77%	4.04%	5.13%	3.37%
WTI Crude	68.45	2.16%	5.13%	13.95%	-4.56%	-16.63%
Natural Gas	3.31	-2.79%	-4.11%	-6.83%	-8.78%	42.29%
Gold	3,355.59	0.89%	1.59%	5.65%	27.86%	41.51%
Silver	38.42	4.27%	6.39%	23.03%	32.92%	24.66%
Copper	556.20	9.12%	10.58%	28.26%	38.13%	20.72%
Steel	877.00	-0.90%	-0.34%	-5.70%	23.70%	31.09%
Corn	403.00	-6.60%	-4.16%	-16.56%	-12.10%	-0.06%
Wheat	540.75	-1.28%	2.27%	0.51%	-1.95%	-0.51%
Cattle	222.20	3.81%	-1.63%	10.63%	14.62%	21.92%
Sugar	16.57	1.16%	7.04%	-8.55%	-13.97%	-16.36%
Soybean	1,004.00	-4.95%	-1.98%	-2.43%	0.58%	-12.03%
Broad Commodity Movement						
BBG Galaxy Crypto Index	3,178.40	12.61%	14.07%	64.40%	0.68%	34.70%
Bitcoin	117,730.81	7.04%	9.41%	47.39%	25.63%	105.09%
Ethereum	2,975.75	14.44%	18.85%	94.49%	-11.08%	-3.88%
Litecoin	95.85	6.89%	10.81%	30.70%	-7.56%	43.95%
Dogecoin	0.20	16.78%	21.73%	31.01%	-36.24%	86.20%

Key Economic Data & Events – 7/7 – 7/11

- Consumer credit and Federal budget numbers both came in better than expected

Monday		Tuesday		Wednesday		Thursday		Friday	
N/A		**NFIB Small Biz Optimism**		**Wholesale Inventories (MoM)**		**Initial Jobless Claims**		**FED Budget Balance**	
Actual	**---**	**Actual**	**98.6**	**Actual**	**-0.30%**	**Actual**	**227k**	**Actual**	**$27.0bn**
Survey	---	Survey	98.6	Survey	-0.30%	Survey	235k	Survey	-$30.0bn
Previous	---	Previous	98.8	Previous	-0.30%	Previous	232k	Previous	-$71.0bn
		▲ Consumer Credit		**MBA Mortgage Applications**					
		Actual	**$5.1bn**	**Actual**	**9.40%**				
		Survey	$10.5bn	Survey	---				
		Previous	$16.9bn	Previous	2.70%				
				FOMC Meeting Minutes					
				Actual	**---**				
				Survey	---				
				Previous	---				

Key Economic Data & Events – 7/14 – 7/18

- Inflation data will take center stage for the week, with CPI data expecting to accelerate on both a core and headline basis
- PPI is also expected to increase slightly on a month-over-month basis, which will be important to monitor if producers eventually pass cost pressures onto customers
- Focus will also be on Retail Sales and Consumer Sentiment this week, offering insight into consumer health and activity

Monday		Tuesday		Wednesday		Thursday		Friday	
N/A		**CPI - Headline (MoM)**		**PPI - Headline (MoM)**		**Retail Sales (MoM)**		**UMich Consumer Sentiment**	
Survey	---	Survey	0.30%	Survey	0.20%	Survey	0.10%	Survey	61.4
Previous	---	Previous	0.10%	Previous	0.10%	Previous	-0.90%	Previous	60.7
		CPI - Core (MoM)		**PPI - Headline (YoY)**		**Retail Sales ex Auto (MoM)**		**UMich 1yr Inflation Expect**	
		Survey	0.30%	Survey	2.50%	Survey	0.30%	Survey	4.90%
		Previous	0.10%	Previous	2.60%	Previous	-0.10%	Previous	5.00%
		CPI - Headline (YoY)		**PPI ex Food & Energy (MoM)**		**Import Price Index**		**Housing Starts (MoM)**	
		Survey	2.60%	Survey	0.20%	Survey	0.30%	Survey	3.10%
		Previous	2.40%	Previous	0.10%	Previous	0.00%	Previous	-9.80%
		CPI - Core (YoY)		**MBA Mortgage Applications**		**Initial Jobless Claims**		**Building Permits (MoM)**	
		Survey	2.90%	Survey	---	Survey	233k	Survey	-0.50%
		Previous	2.80%	Previous	9.40%	Previous	227k	Previous	-2.00%
		Empire Manufacturing		**Industrial Production**					
		Survey	-9.6	Survey	0.10%				
		Previous	-16.0	Previous	-0.20%				

Treasury Auction Data – 7/14 – 7/18

- Light week of Treasury issuance

Monday	Tuesday	Wednesday	Thursday	Friday
3 & 6-month Nominal	N/A	4-month Nominal	1 & 2-month Nominal	N/A

Key Company Earnings Watch – 7/14 – 7/18 *(+ Shareholder Meetings)*

- Q2 Earnings season officially kicks off with Big Banks, as investors will closely follow their economic forecasts amidst and uncertain macro backdrop
- JPM, WFC, GS, BAC, and MS are among the major bank reporters, with investors paying special interest to JPM's Tuesday release for Jamie Dimon's commentary
- Other noteworthy earnings releases include Industrial Bellwethers (GE, MMM, etc.), Consumer Finance (AXP), Healthcare (JNJ & ABT), and the start of Mega-Cap Tech (NFLX)

Monday		Tuesday		Wednesday		Thursday		Friday	
FAST	Fastenal	**JPM**	JPMorgan Chase	**GS**	Goldman Sachs	**NFLX**	Netflix	**AXP**	American Express
		WFC	Wells Fargo	**BAC**	Bank of America	**PEP**	PepsiCo	**MMM**	3M Co
		C	Citigroup	**MS**	Morgan Stanley	**ABT**	Abbott Labs	**SCHW**	Charles Schwab
		BK	BNY Mellon	**PNC**	PNC Financial	**FITB**	Fifth Third Bancorp	**MKTX**	MarketAxess
		BLK	Blackrock	**JNJ**	Johnson & Johnson	**GE**	General Electric	**ALLY**	Ally Financial
		STT	State Street	**KMI**	Kinder Morgan	**USB**	US Bancorp	**HBAN**	Huntington Bancshares
		JBHT	JB Hunt	**MTB**	M&T Bank	**IBKR**	Interactive Brokers		

*SM = Shareholder Meeting

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